

Time : 2 & ½ Hours

C317100T-II

Max Marks : 75

- NB: a) Figure in Right Indicates Full Marks.**  
**b) All Questions carry equal Marks.**  
**c) All questions have an internal Choice.**

**Q1(a) Choose the correct alternative and fill in the blanks (Any 8) (8)**

1. Shivaji University is assessable under the income tax Act as \_\_\_\_\_  
a) An Individual    b) An Artificial juridical Person    c) A Local Authority    d) Company
2. One who is liable to pay the income tax in India \_\_\_\_\_  
a) Indian Citizen    b) Resident in India    c) Any Person    d) An Assessee
3. Mr. Manmohan Sharma goes out of India every year for 254 days. For the assessment year 2022-23, he is \_\_\_\_\_  
a) a resident and ordinarily resident    b) a resident but not ordinarily a resident  
c) A non- resident    c) Foreign citizen
4. Residential status is to be determined for \_\_\_\_\_  
a) Previous year    b) Assessment Year    c) Accounting Year    d) Calendar Year
5. Notified amount for Entertainment Allowance is Rs \_\_\_\_\_  
a) 5,000    b) 7,000    c) 8,000    d) 9,000
6. Payment received by a college lectures from University for setting question papers \_\_\_\_\_  
a) Salary    b) Income from other Sources    c) Income from Business    d) Income from Profession
7. Municipal tax is deducted from \_\_\_\_\_  
a) Net Annual Value    b) Gross Annual Value  
c) Municipal Valuation    d) Reasonable Lettable Value
8. Fair Rent is Rs. 2,50,000, Standard Rent Rs. 2,20,000, actual Rent is Rs. 2.30,000, Municipal Valuation is Rs. 1,80,000. Annual Value is \_\_\_\_\_  
a) Rs. 2,50,000    b) 2,20,000    c) Rs. 2,30,000    d) Rs. 1,80,000
9. Income from illegal business e.g. smuggling is \_\_\_\_\_  
a) wholly exempt from tax    b) taxed as income from other sources  
c) taxed as profit and gains of business    d) taxable only in case of non-resident
10. FMV on 1-4- 2001 is applicable to assets \_\_\_\_\_  
a) acquired prior to 1-4-2001    b) transferred prior to 1-4-2001  
c) acquired after 1-4- 1981    d) transfer prior to 1-4-1981

**Q1b) State whether following sentence are True or False: (Any 7)**

**(7)**

1. Gift received by son on his birthday from parents is taxable.
2. An Indian citizen may be a non- resident in India.
3. Citizenship and Residential status are same.
4. Rules for computation of income under all heads are the same.
5. Income received due to Master – Servant relation is taxable as income from Salary.
6. Rent received from sub-letting of property is taxable as income from Other Sources.
7. Arrears of rent received is not eligible for 30%.
8. Reserve for bad debts can be deducted from profits of business.
9. Land is treated as Capital assets for Capital gain purpose.
10. Deduction under section 80C is allowed from gross total income.

**Q2) Mr. Rahul is physically disabled to the extent of 65% , works in X ltd. a private company , from the following particulars of income provided for the previous year ended 31<sup>st</sup> March 2022, you are required to compute the net taxable income for the assessment year 2022-23. (15)**

<b>Particulars</b>	<b>Amount</b>
1. Basic Salary	7,00,000
2. Dearness Allowance	3,00,000
3. House Rent Allowance (Exempt upto Rs. 29,000)	90,000
4. Re-imbursment of Medical Expenses	22,000
5. Perquisites value of Motor car, provided by the Employer for official as well as personal use	40,000
6. Entertainment allowance received	60,000
7. Professional tax paid	2,500
<b>Other information</b>	
8. Director's Sitting Fees received	1,00,000
9. Dividend from Foreign Company	5,000
10. Dividend from Mutual Fund	25,000
11. Best citizen Award received from Government	10,000
12. He paid Medical insurance premium for Self	22,500

**OR**

**Q2) Mr. Kedar Patwardhan owns two house properties. Following are the details regarding these houses for the year ended 31-03-2022. (15)**

A) House Property I – Self occupied

- 1) Annual value Rs. 4,00,000                      2) Municipal taxes paid Rs. 20,000  
 3) Loan from ICICI Bank of Rs. 15,00,000 for acquiring the house property in 2019  
 4) Interest paid on the above loan Rs. 1,80,000 for the year.  
 Repayment of Principal amount on housing loan during the year Rs. 30,000
- B) House property – II let out  
 1) Fair rent Rs. 3,25,000      2) Actual rent received      3) Municipal tax paid Rs. 18,000  
 4) collection charges paid Rs. 500      5) Interest paid on loan for construction of  
 house property Rs. 40,000
- C) His other income was interest on Public Provident Fund Rs. 40,000.  
 D) Mr. Ptwardhan is Physically handicapped (upto 30%)

**Compute the Net Taxable income of Mr. Ptwardhan for the Assessment Year 2022-23.**

Q3) Mr. Surandra Proprietor of S & Co. furnishes the following information for the year ended 31/03/2022.

**Profit and Loss Account for the year ended 31<sup>st</sup> march, 2022**

**(15)**

Particulars	Amount	Particulars	Amount
To Salaries	1,40,000	By Gross Profit	7,80,000
To Conveyance	30,000	By Income from Mutual Fund	10,000
To Printing Expenses	20,000	By Interest on Bank Fixed Deposit	9,000
To Staff welfare	60,000	By Gift from friend	31,000
To Investment in P. P. F.	70,000		
To Depreciation	30,000		
To Income Tax	40,000		
To motor Car expenses	25,000		
To Advertisement	15,000		
To Accounting Charges	10,000		
To Net Profit	3,90,000		
	<u>8,30,000</u>		<u>8,30,000</u>

**Additional information:**

- a) Salaries include salary to proprietor Rs. 36,000.  
 b) Depreciation as per income Tax Rules Rs. 31,000.  
 c) 1/5<sup>th</sup> of motor car expenses are considered personal.  
 d) He paid mediclaim insurance premium by cheque Rs. 10,000.

**You are required to compute his taxable income for the Assessment year 2022-23.**

**OR**



Q3) Mr. Rahul is physically handicapped (82% disability). He furnishes the following information for the year ended 31-03-2022.

(15)

**Profit and Loss Account for the year ended 31-03-2022**

Particulars	Amount	Particulars	Amount
To Postage and Telegram	24,000	By Gross Profit b/d	12,74,000
To Salaries	2,00,000	By Saving Bank interest	12,000
To Gift to son	12,000	By Interest on Government Securities	20,000
To Advertisement	15,000	By Dividend from Indian Company	25,000
To wealth tax paid	17,000	By Income Tax Refund	8,000
To Electricity charges	30,000		
To Interest on Capital	25,000		
To Depreciation	45,000		
To Provision for Doubtful Debts	16,000		
To Sundry Expenses	5,000		
To Net profit c/d	9,50,000		
	<u>13,39,000</u>		<u>13,39,000</u>

**Other Information:**

1. Depreciation allowed as per Income Tax Rules is Rs. 50,000.
2. Provision for Doubtful Debts include bad debts written off to the extent of Rs. 2,000

**You are required to Compute the total income for the Assessment Year 2022-23.**

Q4a) Mr. Lobo an American citizen, furnishes the following information regarding his income earned during the previous year relevant to Assessment Year 2022-23.

(7)

Particulars	Amount
Income on Nepal Development Bond	21,000
Income from Agriculture in Bangladesh	40,000
Rent from property in Japan received in USA	10,000
Income earned from business in London controlled from Delhi	35,000

Find his gross total income if he is 1) Resident and ordinary Resident 2) Resident but Not ordinary Resident 3) Non Resident in India for the Assessment Year 2022-23

**Q4b) Ascertain the legal status of the following persons:**

**(8)**

- a) Mumbai University
- b) AkruTi Associate Pvt. Ltd.
- c) Ulhasnagar Municipal Corporation
- d) Master Vikas, a minor
- e) M/s Kothari & Associates
- f) Life insurance Corporation of India
- g) MuktaMitrMandal
- h) Mr. Sharukh Khan

**OR**

Q4a) Mr. Brett Lee an Australian Citizen came to India for the first time on 1<sup>st</sup> April, 2017 and started a Business in Mumbai. He went out of India on 1<sup>st</sup> April 2021, and came back to India on 1<sup>st</sup> January 2022 and was in India thereafter. **Find out his Residential Status for Assessment Year 2022-23.**

**(7)**

b) Mr. VeenaJha purchased a Residential house on 1-6-1999 for Rs. 2,00,000. He incurred expenses of Rs. 60,000 towards cost of improvement on 2-7-2003 on this house. The fair market value of the house on 1-4-2001 was Rs. 3,50,000. He sold the house on 10-10-2021 for Rs. 45,00,000. He purchased a new house for Rs. 20,00,000 on 15-3-2022.

The cost inflation Index for financial year 2001-02 is 100, for financial year 2003-04 is 109 and for financial year 2021- 22 is 317. **You are required to compute his income from Capital gain for the Assessment year 2022-23.**

**(8)**

Q5a) State any eight incomes chargeable to tax under the head “ Profit and Gains from Business and Profession”

**(8)**

b) Explain in brief ‘Cost of Improvement’.

**(7)**

**OR**

**Q5) Write short notes on: (Any 3)**

**(15)**

- a. Pension
- b. Residential status of an Individual
- c. Deductions U/S 80U
- d. Deductions expressly disallowed
- e. Capital Assets

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